

## Proposed Transformational Projects Policy & Incentives

This policy is intended to provide incentives to encourage infill development projects that are located in urbanized employment centers of the City that are currently underutilized but are in close proximity to major transit lines. To qualify for City Council evaluation a project must:

- 1 Demonstrate how it fulfills important public purposes that should include creating jobs, installing desired public infrastructure, using a substantial level of green building techniques, and if housing is included providing a percentage of affordable and/or workforce level housing units.
- 2 Demonstrate that it directly addresses annual strategic goals set by the City Council
- 3 Demonstrate that it would not be able to proceed without the support requested.
- 4 Demonstrate that 70% of all permanent jobs created will, for the life of the incentive, pay at or above 110% of prevailing salaries for similar jobs in Buncombe County. This will be verified in an annual report to be submitted to the City Manager for the life of the incentive.
- 5 Must be located in currently active defined "redevelopment" areas; or in areas annually designated by the City Council as priority redevelopment areas that are in or within 1/4 mile of designated urbanized employment centers. (See Note 1 below); or in a targeted or voluntary annexation area.
- 6 Must have a floor area ratio exceeding 1.0 and be located on an area of land larger than 1 acre
- 7 Must have a minimum ratio greater than 3:1 private investment to public assistance.
- 8 Must demonstrate a minimum 20% equity participation from the entity requesting the incentive assistance.

Projects must meet a majority of the following preferred elements:

- 1 Include a minimum of 20% square feet of non-residential (job creation) uses, such as, but not limited to: office, retail, manufacturing, restaurant, civic, cultural, or entertainment.
- 2 Include pedestrian or open space amenities noted in the appropriate master plan for the location proposed.
- 3 Must demonstrate a high level of the use of "green" and sustainable building techniques and products, as determined by meeting an outside agency certification standard (such as LEED standards).
- 4 If housing is provided, the housing element of the project must include a minimum of 10% defined "affordable" housing units and a minimum of 40% "workforce" housing units
  - \* *"Affordable" rents are defined as rents that require payment of no more than 30% of gross income for a household with an income at 80% of the area median income.*
  - \* *"Workforce" rents are to be defined as rents that require payment of no more than 30% of gross income for a household with an income at 120% of the area median income.*
- 5 Will require residential units to be the primary residence of the occupants for the length of the life of the incentive.

**If the City Council extends support the following assistance will be available at the discretion of the Council:**

Affordable housing elements are eligible for use of the Asheville Housing Trust Fund

50% fee rebate for the following fees and charges:

- Zoning permit fees
- Building permit fees
- Driveway permit fees
- Grading permit fees
- Plan Review fees
- Water service connection fees

**Economic Incentive Grant Agreement**

An amount equivalent to City property taxes (in excess of currently assessed taxes), annually applied, that will be generated by the project for the first five years of its operation after construction is complete.

Note 1: Urbanized employment centers shall be annual designated by the City Council. Areas currently designated by the City Council as priority redevelopment areas include underutilized areas of the downtown CBD and the River Arts District. Staff recommends the following as initial designated urbanized employment centers

*Downtown CBD*

*French Broad River corridor from the I-240 bridge to the I-240 on-ramp at Amboy Rd.*

*Swannanoa River corridor from the French Broad River to Biltmore Village*

*Mission Hospital Complex/ AB Tech Campus area*

*East Riverside Area along Clingman Avenue and Depot Street*

*Biltmore Village*

*West Haywood Corridor (in West Asheville) from its intersection with Beverly Drive in the east to its intersection with Patton Avenue to the west.*

*Merrimon Avenue from I-240 to Beaver Lake*

*Broadway Avenue from I-240 to its intersection with Hillside Drive*

*Patton Avenue from the French Broad River in the east to the intersection with Haywood Road in the west.*

*Biltmore Avenue from the edge of the downtown CBD to its intersection with I-40 south of Biltmore Village*

*Tunnel Road from the Beaucatcher Tunnel to the interesection with South Tunnel Rd.*

*East Tunnel Road from I-240 to the intersection with the Blue Ridge Parkway*